

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Use of Dynamic Simulation Modeling in the Directorate of Intelligence

FROM:

Harry E. Fitzwater
Deputy Director for Administration
7 D 18 Hqs

EXTENSION

NO.

DDA 83-5000

DATE

1 DEC 1983

STAT

TO: (Officer designation, room number, and building)

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COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Executive Registry

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of Central Intelligence

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6 DEC 1983

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I agree -
I draw those
houses & water
but they wouldn't
drink

L

DD/A REGISTRY

FILE: 70-1

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EXEC
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1 DEC 1983

MEMORANDUM FOR: Deputy Director for Intelligence

FROM: Harry E. Fitzwater
Deputy Director for Administration

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Intelligence

Bob,

1. The attached item which appeared in the November 11 issue of Science has an interesting background.

STAT 2. While I was the Director of Training, we arranged a presentation/
demonstration on global modeling by [] for a capacity
Intelligence Community audience in the auditorium. This presentation of the
STAT [] work, together with similar presentations by []
STAT and [] were intended to stimulate Agency interest in the further
development and application of dynamic simulation. Progress in this area has
been limited in scope and slow.

STAT 3. DoD attendees of the System Dynamics Course at the OTE Information
Science Center were encouraged by Lieutenant General Elder, then J-5, to obtain
the [] model and install it at SAGA. The model was to be used to improve
the quality and logical consistency of scenarios developed for the JCS, and the *attached*
item attests to their continued interest and improvements in the model.

STAT 4. Over the years, several system dynamics applications, e.g. a model
dealing with the prospects for PRC oil exports and PRC population and another
treating Egypt's impending food/population problems, have been developed in the
Agency. A long-time proponent of system dynamics, [] has
developed models for me addressing topics ranging from personnel recruiting to
FOIA request response. He is currently working on a simulation model for
STAT assessing policy alternatives in controlling traffic after the new building is
completed. At the request of [] he has recently completed a model
of heroin supply/demand in the United States which establishes some novel and
important relationships in this system. It also predicts accurately heroin
addict population and heroin related deaths as well as heroin purity and price.
A model to estimate the amounts of money that must be laundered in the United
States by traffickers in heroin, cocaine, hashish, marijuana, and synthetic drugs
is well along in development.

5. In spite of this encouraging progress, I believe we lag in appreciating
fully and applying broadly the contributions this kind of modeling technique can
make in integrating the expertise, knowledge, and data available to our analysts

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in producing better intelligence. The logical consistency which would be derived through the use of a global model would improve the quality of our products. Improvements in clarity could be expected if analysts made their mental models explicit--a prerequisite to any modeling process.

5. I think the Agency is missing a bet in this area through lack of interest and wish we could stimulate more interest. If you would like to discuss this subject, Ray and I are available at your convenience.

STAT


Harry F. Fitzwater

Attachment

cc: DDCI w/att

STAT)/DDA  (25 Nov 83)

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